This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 08 TEL AVIV 000886

SIPDIS

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WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

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E.O. 12958: N/A
TAGS: <u>IS KMDR MEDIA REACTION REPORT</u>
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- 11. Iran: Nuclear Program
- 12. Mideast
- ¶3. UAE Role in US Port Management

Key stories in the media:

Israel Radio reported that A/S David Welch told members of Congress in Washington that the US is interested in isolating Hamas economically and politically in order to make it very difficult for the government it establishes in the PA to function. Welch was quoted as saying that American diplomats are trying to convince administrations throughout the world not to meet with Hamas representatives and that the US will report to the Quartet about such meetings. Ha'aretz and The Jerusalem Post reported that on Thursday, South Africa invited Hamas leaders for talks. Israel Radio quoted Khaled Marshal, the head of Hamas's political bureau, who leads the movement's delegation to talks in Moscow today, as saying that the Israeli occupation is the main obstacle to peace, and that Israel rejects the Roadmap. Israel Radio quoted Russia's special envoy to the Middle East Alexander Kalugin as saying that the meeting is not an attempt by Russia to impose conditions on Hamas, but to convince Hamas to change its positions.

Israel Radio reported that Fatah's council will meet in Ramallah on Saturday to decide whether the movement will join the new Palestinian government. The radio reported that there is no majority in the council to adopt the proposal.

The Jerusalem Post reported that a high-ranking IDF officer told the newspaper on Thursday that Israel's Arrow-2 anti-ballistic missile system is capable of intercepting and destroying any Iranian missiles, even were they to carry nuclear warheads.

Leading media quoted Labor Party Chairman Amir Peretz as saying after his meeting with PA Chairman [President] Mahmoud Abbas at the Allenby Bridge on Thursday that Abbas is "very relevant." The Jerusalem Post reported that Abbas and Peretz discussed ways to eradicate terrorism and form a partnership. Israel Radio quoted senior Kadima member Shimon Peres as saying that Israel avoids meeting with enemies, but that Abbas is not an enemy. The radio quoted associates of Acting PM Ehud Olmert as saying in response to Peres's comment that Kadima ministers or members will not meet with Abbas.

The Jerusalem Post reported that on Thursday, Abbas phoned several Iraqi government officials and representatives of various groups in Baghdad, urging them to stop the killing of Palestinians in Iraq. The Jerusalem Post wrote that PA officials in Ramallah told the newspaper that dozens of Palestinians have been killed in Iraq over the past few months by Iraqis belonging to various political and religious factions.

The Jerusalem Post reported that in a letter to Senator Hillary Clinton (D-NY), Idan Ofer, chairman of the Israeli shipping giant Zim, expressed support for the Dubai Ports World company, which has won a contract to run six US ports.

In its lead story, Ha'aretz cited the outrage of senior IDF officers over the IDF's decision to prevent one of their number from traveling to Britain for fear he might be arrested as a war criminal, charging that leading Hamas terrorists now enjoy more freedom of movement than IDF officers. The newspaper reported that FM Tzipi Livni raised the issue with Foreign Office Minister Kim Howells during her visit to London Thursday.

Yediot quoted Israeli defense sources as confirming Thursday that Hamas has succeeded in infiltrating terror activists into the Gaza Strip. Hatzofe and Israel Radio reported that on Thursday, an unknown organization, the "Army of Jihad and Corruption Curbing" (approximate translation) conveyed a message to all foreign representations in the PA, demanding that they leave the PA within a month.

Major media reported that Defense Minister Shaul Mofaz decided Thursday that the Karni crossing will remain closed, after new information on concrete threats by terror groups to attack it was revealed in a meeting with the senior security echelon. Israel Radio reported that several Qassam rockets were fired at Ashkelon this morning.

Ha'aretz reported that the same Bush administration review panel that approved a ports deal involving the United Arab Emirates (UAE) has notified the Israeli software security company Check Point that it faces a rare, full-blown investigation over its plans to buy the U.S. software firm Sourcefire, a smaller rival. The company was reportedly told that U.S. officials feared the transaction could endanger some of the USG's most sensitive computer systems. Ha'aretz wrote that the objections brought forward by the FBI and the Pentagon were partly over specialized intrusion detection software known as "Snort," which guards some classified US military and intelligence computers. Snort's author is a senior executive at Sourcefire.

Major media reported that on Thursday, the Moody's credit rating agency published its annual analysis of Israel, in which it confirmed Israel's credit rating of A2, with a "stable" outlook.

Maariv reported that Silvan Shalom, the number two on the Likud list, has devised a plan for a rotation between Binyamin Netanyahu and Amir Peretz as prime ministers in a possible Likud-Labor government. Peretz told Israel Radio this morning that he rejects such an arrangement. Ha'aretz (English Ed.) reported that the Shas party has launched a campaign for English-speakers for the first time in its 22-year history in an attempt to capture the "small but crucial Anglo-Sephardi vote."

In an article written for Maariv, an unnamed academic Iraqi woman described her daily experiences in anarchic and corruption-ridden Baghdad.

All media reported that a nuclear deal was reached between the US and India during President Bush's visit to New Delhi Thursday.

Leading media reported that the Federal Reserve has issued a new 10-dollar bill with color markings that will make counterfeiting more difficult.

Maariv reported that oligarch Boris Berezovsky is expected to request that his Israeli citizenship, which he had forsaken, be returned to him so that he can escape prosecution by the Russian authorities. Britain is considering extraditing him to Russia over his recent statement that he wants to topple the Russian regime.

The Jerusalem Post reported that pastors John Hagee and Jerry Falwell have both denied a report in The Jerusalem Post earlier this week that they embrace the "dual covenant" theology, which holds that Jews are saved through a special relationship with God and therefore need not be Christians to enter heaven.

Yediot reported that the American singer Madonna is interested in purchasing a house in the picturesque northern Galilee city of Rosh Pina and turning it into a Kabbala center.

Reviewing the polls conducted for the newspaper by Mina Zemach (Dahaf Institute) from February 10 through March 3, Yediot found that Kadima lost five Knesset mandates (from 43 to 38) during that period.

Maariv reported that Kadima enjoys a small lead over the Labor and Likud parties in the newspaper's public opinion poll in the development towns (new immigrant towns established in the 1950s especially in the border areas, rural regions and periphery of Israel) that have so far been Likud strongholds. Maariv printed the results of a TNS/Teleseker Polling Institute survey conducted on Wednesday in nine development towns.

-"Were elections for the Knesset held today, for whom would you vote?" (Results in Knesset seats; in brackets: actual 1993 election figures in those towns):

-Kadima 29; Labor Party 25 (5); Likud 24 (45); Shas 19 (16) (40 in 1999); National Union-National Religious Party (NRP) 11 (in 1993, National Union-Yisrael Beiteinu obtained the equivalent of 10 Knesset seats, and the NRP 5); United Torah Judaism 5 (4); Yisrael Beiteinu 7.

Ha'aretz (English Ed.) and other media cited a poll conducted by Hanoch Smith, which indicates that about 60 percent of the Jewish Israeli public (according to Hatzofe: 40 percent) supports encouraging Arabs to emigrate to Arab states. The poll was presented by former MK Michael Kleiner, head of the right-wing Herut list that runs for the Knesset.

11. Iran: Nuclear Program:

Summary:

Senior columnist Dan Margalit wrote in popular, pluralist Maariv: "The age of words has ended; the West must start the countdown to action."

Block Quotes:

"The Age of Words Has Ended"

Senior columnist Dan Margalit wrote in popular, pluralist Maariv (March 3): "Not only has the chairman [sic] of the International Atomic Energy Agency, the Egyptian Mohammed ElBaradei, dared to talk a few days ago about a possibility that the world could put up with Iran enriching a small quantity of uranium, but nobody among the Western politicians said anything ... or raised an uproar. This is a precedent that will be remembered as a watershed, after a disaster takes -- or alternatively following the outbreak of a preemptive strike... Israelis who recently visited Washington [also] found slight hints of softening... In a New York Times article, Professor Barry Posen wrote: 'We can live with a nuclear Iran'... [Posen wrote]: 'Iranian nuclear weapons could be put to three dangerous purposes: Iran could give them to terrorists; it could use them to blackmail other states; or it could engage in other kinds of aggressive behavior on the assumption that no one, not even the United States, would accept the risk of trying to invade a nuclear state or destroy it from the air.' Posen wrote that the first two threats are improbable and that the third is manageable. How? Through a preemptive action by countries such as the US. Israel is mentioned, too. [Posen's] explanations are futile. Let there be a preventive strike at once. At this time America isn't open to such a possibility -- only to a theoretical debate. The red light is already switched on. All bells must be rung. The age of words has ended; the West must start the countdown to action."

<u>¶</u>2. Mideast:

Summary:

Military correspondent Amos Harel wrote in independent, left-leaning Ha'aretz: "Israel's war against terror will continue with countless minor operations ... rather than with ostentatious displays."

Columnist Khaled Abu Toameh wrote in the conservative, independent Jerusalem Post: "Ironically, Hamas wants Abbas to remain in power so that the international community could continue channeling funds through him to the Palestinians. Hamas knows that the money would eventually go to the ... institutions under its

Block Quotes:

¶I. "A New Wave of Terrorism?"

Military correspondent Amos Harel wrote in independent, left-leaning Ha'aretz (March 3): "For reasons not yet fully clear, terrorism seems to be reviving in the West Bank... Does this add up to a random set of incidents or a new wave of terrorism? However, all these incidents do not come close to the damage that one suicide bomber could cause. Since the beginning of the year the Shin Bet and IDF have assassinated several Jihad leaders and arrested others. Still, it appears the network has maintained its capability of launching suicide bombers. This is a result of Israel's relatively restrained policy in the pre-pullout days.... Hamas, in contrast, is not part of this game. Its people have received clear orders not to take part in the attacks. Israel's ongoing failure to stop the fund flow for terror from Damascus and Beirut has enabled Jihad and Hizbullah people there to send rogue Tanzim units to carry out attacks in the West Bank. Some of them were involved in the recent attacks. Thursday, Acting Prime Minister Ehud Olmert threatened to deal with the situation with an 'iron fist' and said he instructed the defense establishment to operate 'special measures not yet used' against terrorism. Taken literally, one could assume Israel would retaliate with deliberate attacks on Palestinian civilians. Not to worry, no such orders have been issued. Olmert's declaration sounds more like the bravado of a politician whose popularity is waning in the polls. Israel's war against terror will continue with countless minor operations ... rather than with ostentatious displays.

II. "Friends or Foes?"

Columnist Khaled Abu Toameh wrote in the conservative, independent Jerusalem Post (March 3): "[Top Palestinian officials] said that [Mahmoud] Abbas went to Yemen [this week] to seek its help in persuading Damascus and Tehran not to provide Hamas with financial aid for fear that such a move would prompt the US and the Europeans to stop supporting the Palestinian Authority.... In any case, what is evident is that the Palestinians will soon find themselves under the control of two authorities -- one led by Hamas and the second by Fatah. Although Hamas won the election, all the indications are that Fatah has no intention of relinquishing control over the PA's finances and security forces.... Ironically, Hamas wants Abbas to remain in power so that the international community could continue channeling funds through him to the Palestinians. Hamas knows that the money would eventually go to the Palestinian budget and from there to ministries and other institutions under its control."

13. UAE Role in US Port Management:

Summary:

The conservative, independent Jerusalem Post editorialized: "The Dubai deal may or may not violate US anti-boycott laws, but treating a government that boycotts Israel as if nothing is wrong is pre-9/11 thinking."

Block Quotes:

"Dubai's Boycott"

The conservative, independent Jerusalem Post editorialized (March 3): "The Dubai deal may or may not violate US anti-boycott laws, but treating a government that boycotts Israel as if nothing is wrong is pre-9/11 thinking... Some claim that the boycott has become a dead letter, or 'all bark and no bite,' as an Israeli who combats the boycott put it. Israeli goods, stripped of their labels, now make their way into Arab states, and the secondary boycott of companies that trade with Israel has collapsed. But the Arab boycott and, more generally, the refusal of nations that do not even share a border with Israel to normalize relations cannot be viewed as protesting a particular Israeli policy. Israel not only favors a Palestinian state, but is arguably more eager to create one than the Palestinian leadership, be it Fatah or Hamas. In this context, the boycott can only be seen as a refusal to

accept Israel's existence. Such radical rejectionism by any state of another should not be tolerated, much less ignored."

JONES